



April 9, 2019

Robert E. Feldman
Executive Secretary,
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Ann E. Misback
Secretary,
Board of Governors of the Federal Reserve System
Eccles Board Building
20th and C Street, N.W.
Washington, D.C. 20219

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street, S.W.
Washington, D.C. 20219

Re: **Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations** –Docket ID OCC-20918-0040, RIN 1557-AE59 (OCC); Docket No. R-1638, RIN 7100-AF29 (Federal Reserve); RIN 3064-AE91 (FDIC)

Ladies and Gentlemen:

The California Bankers Association (CBA) welcomes the opportunity to provide comments to the three federal regulatory agencies (Agencies) that have invited public comment on the above-referenced proposed rule establishing a Community Bank Leverage Ratio (CBLR Proposal).

CBA is familiar with the comments being made by the American Bankers Association in response to the CBLR Proposal, and supports and concurs with each of them. CBA would highlight the following issues in particular.

First, CBA concurs with the ABA's recommendation that the CBLR should be set at eight percent, such that if a community bank is above that ratio, it will be deemed in compliance with other risk-based capital requirements, such as Basel III. ABA's research reveals that qualifying community banks that have an eight percent CBLR are already meeting the well-

capitalized risk-based capital ratios, such that the eight percent CBLR is, effectively, a determination that a bank is well-capitalized.

Second, for the reasons stated more fully in the ABA's comments, community banks that qualify and have opted to use the CBLR must be able to opt out at any time. The CBLR should not be vulnerable to being converted, effectively, to a new higher-minimum-capital requirement.

Thank you for the opportunity to comment on the CBLR Proposal. If you have any questions, please do not hesitate to contact me at mopich@westernbankers.com.

Very truly yours,

CALIFORNIA BANKERS ASSOCIATION

A handwritten signature in blue ink, appearing to read 'M. Opich', with a stylized flourish extending to the right.

Martha Evensen Opich
Vice President and Association Counsel